



AR47

Automotive Hardware Limited
Annual Report 1976

Comparisons

	Year Ended December 31		
	1976	1975	1974
Sales	\$ 33,369,853	\$ 33,181,522	\$ 34,066,176
Income before Income Taxes	\$ 4,535,992	\$ 7,324,282	\$ 9,054,318
Income Taxes	\$ 2,009,384	\$ 3,576,644	\$ 4,271,077
Net Earnings	\$ 2,543,998	\$ 3,747,638	\$ 4,697,182
Net Earnings per Share*	\$ 2.73	\$ 4.15	\$ 5.21
Shareholders' Equity	\$ 20,103,970	\$ 17,877,317	\$ 14,788,138
Equity Per Share*	\$ 21.55	\$ 19.79	\$ 16.40
Working Capital	\$ 17,036,335	\$ 15,047,626	\$ 12,384,314
Working Capital Ratio	7.14:1	3.66:1	3.81:1
Dividends per Share	80¢	75¢	48¢

*Based on 933,100 outstanding in 1976, 903,190 outstanding in 1975 and 901,850 in 1974

President's Message to Shareholders

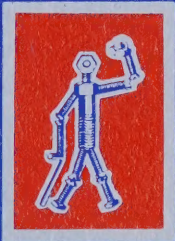
AR47

Subsidiary Companies

DOCAP CORPORATION LIMITED
AUTOMATIC SCREW
MACHINE PRODUCTS LIMITED
FEDERAL BOLT & NUT CORPORATION
LIMITED
PLANET STEEL LIMITED

55 Brown's Line Toronto, Canada
M8W 3S4

AUTOMOTIVE HARDWARE LIMITED
and Subsidiary Companies



Interim Report to Shareholders
for six months ended June 30, 1976

occupied space by some
In addition we are con-
old and somewhat
pecialized, high-speed

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for their support.

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The financial strength of the Company is reflected in its balance sheet. The ratio of current assets to current liabilities had by December 31, 1976 increased to 7:1, after net additions of \$1.4 Million to fixed assets, an accomplishment in which the Company takes great pride.

During 1976 our rate of growth was affected by Government controls. However, we considered this period a special opportunity to prepare facilities to support our sales in the resurgence of business activity we feel is certain to follow the removal of controls. As a consequence we embarked during the early Fall of 1976 upon the largest building expansion in our history. By the end of 1977

Irwin Goldhart, *President*

April 12, 1977

AUTOMOTIVE HARDWARE LIMITED and Subsidiary Companies

TO THE SHAREHOLDERS:

Consolidated sales for the first six months of 1976 were \$17.3 million compared to \$17.5 million reported for the same period in 1975. Severe competition, particularly imports from foreign countries, coupled with increased operating costs combined to reduce net earnings from \$2.3 million, \$2.59 per share, in 1975 to \$1.5 million, \$1.63 per share in 1976. The latter figure represents 8.5% on sales. Working capital increased by \$1.2 million during the period thereby bringing the total working capital at June 30, 1976 to \$16.3 million.

Funds generated from an inventory reduction program together with profitable operations enabled the Company to reduce its bank indebtedness with a consequent reduction in interest expense.

On behalf of the Board

IRWIN GOLDHART,
President

August 19, 1976

Sales

Incom

Incom

Net E

Net E

Share

Equity

Worki

Worki

Divide

*Basec

President's Message to Shareholders

AUTOMOTIVE HARDWARE LIMITED and Subsidiary Companies Comparative Consolidated Statement of Earnings (Unaudited) For the Six Months Ended June 30

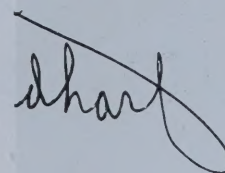
	<u>1976</u>	<u>1975</u>
Sales.....	\$17,264,867	\$17,517,721
Cost of Goods Sold and Operating Expenses Exclusive of Items Shown Below.....	<u>14,121,348</u>	<u>12,633,478</u>
	\$3,143,519	\$4,884,243
Depreciation.....	\$ 378,290	\$ 344,189
Interest on Long Term Debt.....	133,542	138,934
Amortization of Debenture Discount.....	<u>4,371</u>	<u>2,996</u>
	<u>516,203</u>	<u>486,119</u>
Earnings Before Income Taxes.....	\$2,627,316	\$4,398,124
Income Taxes.....	<u>1,162,627</u>	<u>2,058,694</u>
Net Operating Earnings for Period.....	\$1,469,689	\$2,339,430
Extraordinary Income, Net of Taxes.....	<u>15,635</u>	<u>—</u>
Total Net Income.....	<u>\$1,480,324</u>	<u>\$2,339,430</u>

	<u>1976</u>		<u>1975</u>	
Earnings per Share:				
on Shares Outstanding.....	<u>908,530</u>	<u>\$ 1.63</u>	<u>902,050</u>	<u>\$ 2.59</u>
on Potential Full Dilution.....		<u>\$ 1.33</u>		<u>\$ 2.14</u>

occupied space by some
In addition we are con-
g old and somewhat
pecialized, high-speed

as thanks for their valuable
ontinuing success and also
for their support.

tors



April 12, 1977

AUTOMOTIVE HARDWARE LIMITED and Subsidiary Companies Comparative Consolidated Statement of Changes in Financial Position For the Six Months Ended June 30

	<u>1976</u>	<u>1975</u>
Sources of Funds:		
Total Net Income for the Period.....	\$ 1,480,324	\$ 2,339,430
Depreciation.....	378,290	344,189
Amortization of Debenture Discount.....	4,371	2,996
Funds from Operations	\$ 1,862,985	\$ 2,686,615
Principal Repayments of Mortgage Receivable.....	7,694	7,182
Deferred Income Tax Adjustment.....	137,521	—
Increases in Share Capital.....	69,027	1,980
Increase in Long Term Debt.....	—	88,369
	<u>\$ 2,077,227</u>	<u>\$ 2,784,146</u>
Uses of Funds:		
Purchase of Fixed Assets (Less Proceeds of Disposals).....	\$ 422,498	\$ 808,331
Reduction in Long Term Debt.....	41,974	—
Dividends Declared.....	363,146	315,688
Deferred Income Tax Adjustment.....	—	95,185
Increase in Working Capital as Set Out Below.....	1,249,609	1,564,942
	<u>\$ 2,077,227</u>	<u>\$ 2,784,146</u>
Changes in the Elements of Working Capital:		
Working Capital, January 1.....	\$15,047,626	\$12,384,314
Current Assets — Increase (Decrease):		
Accounts Receivable.....	\$ 970,698	\$ 531,900
Inventories.....	(1,084,014)	4,437,178
Sales Tax and Duty Drawback Claims Outstanding.....	31,741	7,421
Prepaid Expenses and Deposits.....	103,622	735,132
Income Taxes Overpaid.....	574,002	—
	<u>\$ 596,049</u>	<u>\$ 5,711,631</u>
Current Liabilities — Increase (Decrease):		
Bank Loans and Overdraft.....	\$ (1,473,373)	\$ 4,739,129
Accounts Payable and Accrued Liabilities.....	813,413	1,562,518
Income Taxes Payable.....	—	(2,208,639)
Dividends Payable.....	1,068	45,132
Current Portion of Long Term Debt.....	5,332	8,549
	<u>\$ (653,560)</u>	<u>\$ 4,146,689</u>
Net Increase in Working Capital.....	1,249,609	1,564,942
Working Capital, June 30.....	<u>\$16,297,235</u>	<u>\$13,949,256</u>

*Based

President's Message to Shareholders



Sales increased marginally from \$33.2 Million in 1975 to \$33.4 Million in 1976. However, due to a combination of severe competition both domestically and from imports, and increased costs, particularly for materials and energy as well as wages, profit decreased to \$2.5 Million in 1976 from \$3.7 Million in 1975. This represents \$2.73 per share on an increased number of shares in 1976 as compared to \$4.15 per share on a fewer number in 1975.

The level of sales was maintained by an aggressive and effective sales effort in both the domestic and export fields.

The financial strength of the Company is reflected in its balance sheet. The ratio of current assets to current liabilities had by December 31, 1976 increased to 7:1, after net additions of \$1.4 Million to fixed assets, an accomplishment in which the Company takes great pride.

During 1976 our rate of growth was affected by Government controls. However, we considered this period a special opportunity to prepare facilities to support our sales in the resurgence of business activity we feel is certain to follow the removal of controls. As a consequence we embarked during the early Fall of 1976 upon the largest building expansion in our history. By the end of 1977

we will have increased our total occupied space by some 123,000 sq. ft. to 588,000 sq. ft. In addition we are continuing our program of replacing old and somewhat obsolete equipment with new, specialized, high-speed machines.

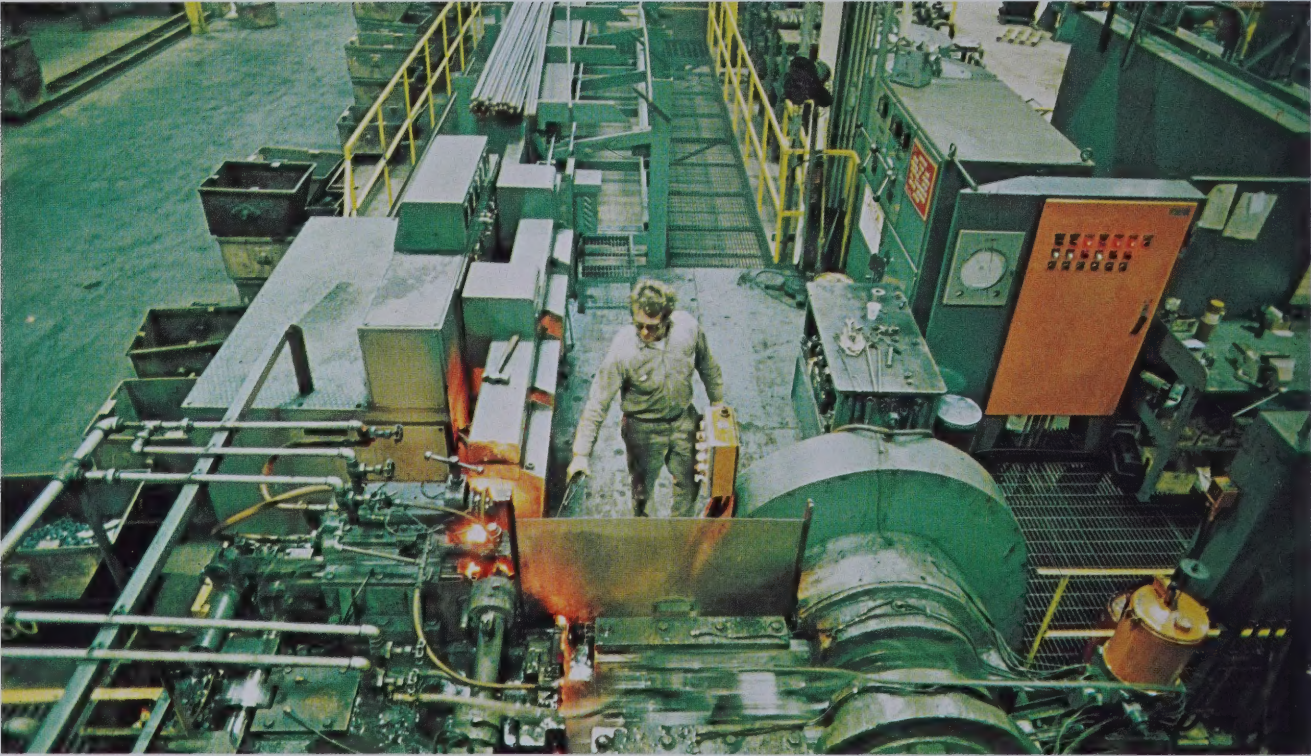
We extend to our employees thanks for their valuable contribution to the Company's continuing success and also to our customers and suppliers for their support.

On behalf of the Board of Directors

Irwin Goldhart, *President*

April 12, 1977

High speed Hot Nut Former



A recent addition to Federal Bolt Testing Equipment



Manufacturing and Operations

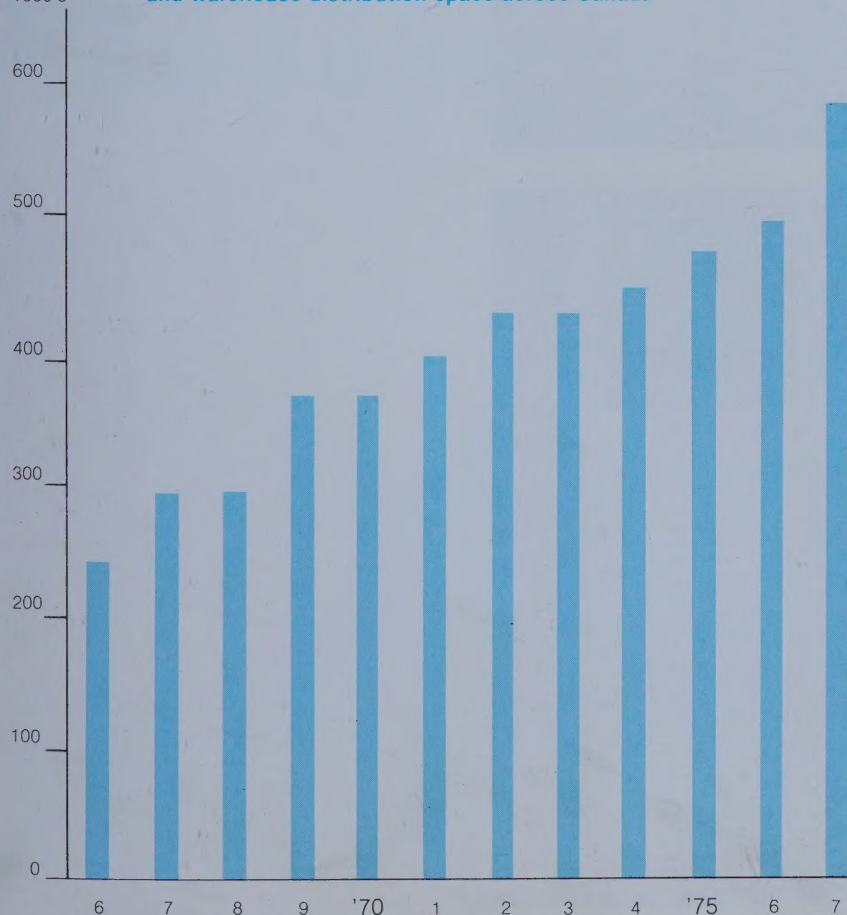
In an ongoing programme, the Company has recently installed a number of high-speed nutformers and boltmakers as well as additional new equipment. This equipment will allow us to be even more efficient and cost effective. We are committed to a programme of supplementing or replacing old, still useful machines with the latest and specialized high-speed models. The energy requirements

of both the present and future are causing refineries and pipelines to be built at an accelerated rate. Our new B7 stud machine has been acquired to support this market. New sophisticated quality control equipment for the testing of products is now in use in order to meet the exacting requirements of our customers.

Distribution

Square
feet in
1000's

**Graph showing growth of Manufacturing
and warehouse distribution space across Canada**



In the necessary expansion of distribution facilities, we moved into a new, 90% larger, Calgary warehouse. In Montreal we occupy new, modern quarters 50% larger, located near the centre of industrial activity. In Toronto we are in the process of adding 85M sq. ft., which is a 30% increase. By the end of 1977, our total manufacturing and warehouse facilities will occupy 588,000 square feet.

The Aftermarket

A variety of Docap products



Automated packaging equipment



There exists today a vast and growing automotive aftermarket, which Docap sells to, and this is the area in which Docap looks for growth. We have added new product lines; we have increased sales in existing product lines, and with our new merchandising programs, we expect to enjoy an even greater share of this expanding business.

With the closing of traditional service stations and the emergence of a larger consumer "do it yourself" market, Docap has taken steps, through its customers, to capitalize in this area.

Graphic Analysis

Sales (Millions)



Net Earnings (Millions)



Equity Per Share



Dividends Per Share



Automotive Hardware Limited

and its wholly owned subsidiary companies

Comparative Consolidated Balance Sheet

as at December 31

Assets

	1976	1975
CURRENT ASSETS		
Accounts Receivable (Less Allowances for Doubtful Accounts)	\$ 5,340,898	\$ 5,274,538
Inventories, at Lower of Cost or Replacement Cost	12,480,284	14,330,116
Marketable Securities	2,250	2,250
Sales Tax and Duty Drawback Claims Outstanding	237,042	156,475
Prepaid Expenses and Deposits	270,790	153,006
Corporation Taxes Overpaid	1,481,772	798,883
	\$ 19,813,036	\$ 20,715,268
MORTGAGE RECEIVABLE — 7% due 1979	\$ 44,166	\$ 59,823
FIXED ASSETS, AT COST		
Land	\$ 912,400	\$ 664,247
Buildings	2,691,504	2,482,801
Machinery and Equipment	10,973,646	10,062,354
Motor Vehicles	345,961	336,735
Leasehold Improvements	212,775	212,775
Dies and Small Tools	180,000	180,000
	\$ 15,316,286	\$ 13,938,912
Less — Accumulated Depreciation	7,493,990	6,707,069
	\$ 7,822,296	\$ 7,231,843
MILL ACQUISITION AND DEVELOPMENT COSTS	\$ 985,727	\$ 986,703
UNAMORTIZED DEBENTURE DISCOUNT	64,725	80,811
	\$ 28,729,950	\$ 29,074,448

The accompanying notes form an integral part of these financial statements.

Liabilities

	1976	1975
CURRENT LIABILITIES		
Bank Loans and Overdraft (Note 8 (c))	\$ 98,915	\$ 3,279,575
Accounts Payable and Accrued Liabilities	2,294,847	1,984,050
Dividends Payable	186,620	180,638
Current Portion of Long-Term Debt	196,319	223,379
	\$ 2,776,701	\$ 5,667,642
LONG TERM DEBT (LESS CURRENT PORTION AS ABOVE) (Note 4).	\$ 3,864,939	\$ 4,084,430
DEFERRED INCOME TAXES (Note 3)	\$ 1,984,340	\$ 1,445,059

Shareholders' Equity

CAPITAL STOCK (Note 5 (a))	\$ 1,598,747	\$ 1,178,720
CONSOLIDATED RETAINED EARNINGS	16,664,152	14,857,526
CONTRIBUTED SURPLUS (Note 6)	1,841,071	1,841,071
	\$ 20,103,970	\$ 17,877,317
	\$ 28,729,950	\$ 29,074,448

Approved on behalf of the Board of Directors:

Irwin Goldhart, Director.

Goldie Potashin, Director.

Automotive Hardware Limited

and its wholly owned subsidiary companies

Comparative Consolidated Statement of Earnings

for the years ended December 31

	1976	1975
Sales	\$ 33,369,853	\$ 33,181,522
Cost of Goods Sold and Operating Expenses Exclusive of Items Shown Below	27,759,993	24,849,928
	\$ 5,609,860	\$ 8,331,594
Depreciation	\$ 802,428	\$ 714,981
Interest on Long Term Debt	255,354	286,287
Amortization of Debenture Discount	16,086	6,044
	\$ 1,073,868	\$ 1,007,312
Income Before Income Taxes	\$ 4,535,992	\$ 7,324,282
Income Taxes	2,009,384	3,576,644
Earnings from Operations	\$ 2,526,608	\$ 3,747,638
Non-Recurring Net Capital Gains (Net After Taxes)	16,390	—
Earnings for the Year	\$ 2,542,998	\$ 3,747,638
Earnings Per Share		
Shares Outstanding (See Also Note 12)	933,100	903,190
— From Operations	\$ 2.71	\$ 4.15
— Non-Recurring Net Capital Gains02	—
— Net Total for Year	\$ 2.73	\$ 4.15

The accompanying notes form an integral part of these financial statements.

Comparative Consolidated Statement of Retained Earnings

for the years ended December 31

	1976	1975
Balance, January 1	\$ 14,857,526	\$ 11,782,117
Net Earnings For The Year	2,542,998	3,747,638
Adjustment of Prior Year's Capital Loss (See Note 11)	—	4,721
	\$ 17,400,524	\$ 15,534,476
Dividends Declared	736,372	676,950
Balance, December 31	\$ 16,664,152	\$ 14,857,526

The accompanying notes form an integral part of these financial statements.

Comparative Consolidated Statement of Changes in Financial Position

for the years ended December 31

	1976	1975
SOURCES OF FUNDS:		
Earnings for the Year	\$ 2,542,998	\$ 3,747,638
Depreciation	802,428	714,981
Amortization of Debenture Discount	16,086	6,044
FUNDS FROM OPERATIONS	\$ 3,361,512	\$ 4,468,663
Adjustment of Prior Year's Capital Loss	—	4,721
Principal Repayments of Mortgage Receivable	15,657	14,615
Increases in Share Capital	420,027	13,770
Deferred Income Tax Adjustment	539,281	586,138
	\$ 4,336,477	\$ 5,087,907
USES OF FUNDS:		
Purchase of Fixed Assets (Less Proceeds of Disposals)	\$ 1,391,905	\$ 1,603,164
Reduction in Long-Term Debt	219,491	23,047
Dividends Declared	736,372	676,950
Mill Acquisition and Development Costs	—	121,434
Increase in Working Capital as Set Out Below	1,988,709	2,663,312
	\$ 4,336,477	\$ 5,087,907
CHANGES IN THE ELEMENTS OF WORKING CAPITAL:		
WORKING CAPITAL JANUARY 1	\$ 15,047,626	\$ 12,384,314
Current Assets — Increase (Decrease):		
Accounts Receivable	\$ 66,360	(\$ 131,224)
Inventories	(1,849,832)	3,467,437
Sales Tax and Duty Drawback Claims Outstanding	80,567	(228,959)
Income Taxes Refundable	682,889	798,883
Prepaid Expenses and Deposits	117,784	16,782
	(\$ 902,232)	\$ 3,922,919
Current Liabilities — Increase (Decrease):		
Bank Loans and Overdraft	(\$ 3,180,660)	\$ 3,277,964
Accounts Payable and Accrued Liabilities	310,797	394,787
Income Taxes Payable		(2,448,384)
Dividends Payable	5,982	45,360
Current Portion of Long Term Debt	(27,060)	(10,120)
	(\$ 2,890,941)	\$ 1,259,607
NET INCREASE IN WORKING CAPITAL	\$ 1,988,709	\$ 2,663,312
WORKING CAPITAL DECEMBER 31	\$ 17,036,335	\$ 15,047,626

The accompanying notes form an integral part of these financial statements.

Notes to Consolidated Financial Statements

December 31, 1976

1. BASIS OF CONSOLIDATION.

The accompanying financial statements combine the accounts of Automotive Hardware Limited and its wholly owned subsidiary companies.

All material inter-company transactions and balances on the aforementioned statements were eliminated for consolidation purposes.

2. DEPRECIATION.

Depreciation on fixed assets in use was computed at the maximum normal rates allowed by The Income Tax Act except for Federal Bolt & Nut Corporation Limited, which was computed at 7-1/2% straight line rate for all equipment. Tools and dies were expensed in the year during which the related equipment was used except for \$180,000 which was capitalized in 1960.

3. INCOME TAXES — PAYABLE AND DEFERRED.

The companies follow the tax allocation principle of providing for income taxes. Under this principle: (a) the earnings statement reflects income tax expense based on consolidated operating results; (b) income taxes payable are calculated on the basis of each company's taxable income; and (c) the difference between income tax expense under (a) above and income taxes payable under (b) above is reflected as an adjustment to deferred income taxes on the balance sheet.

Investment tax credits are recorded in the year of the related capital expenditures by a reduction of income tax expense. Income tax expense has been reduced by investment tax credits of \$65,345 (\$23,475 in 1975).

4. LONG-TERM DEBT (SECURED).

	YEAR OF FINAL PAYMENT	BALANCE AS AT DECEMBER 31	
		1976	1975
Equipment Contracts Payable	1982	\$ 483,046	\$ 383,308
Realty Mortgage 6-7/8%	1986	676,327	729,116
Realty Mortgage 10%	1980	117,500	127,500
Realty Mortgage 10%	1980	69,885	74,885
Realty Mortgage 10%	1981	125,500	—
Convertible Debenture — Series A, 6%	1989	2,589,000	2,993,000
		<u>\$ 4,061,258</u>	<u>\$ 4,307,809</u>
Less — Amounts Due Within One Year		196,319	223,379
		<u><u>\$ 3,864,939</u></u>	<u><u>\$ 4,084,430</u></u>

6% CONVERTIBLE DEBENTURE SERIES A, DUE JULY 2, 1989.

- This debenture, issued July 2, 1969, is secured by a floating charge on the assets of Automotive Hardware Limited and its wholly owned subsidiary companies. Interest is paid semi-annually;
- Each debenture is convertible at the holder's option at any time up to July 2, 1979, at a conversion rate of 70 Class A shares per \$1,000 principal amount;
- In each of the years 1980 to 1988, the Company is obliged to pay to the trustee, by way of a sinking fund, sums sufficient to retire on July 2 in each of such years, 10% of the aggregate principal amount outstanding on July 3, 1979.
- During 1976, debentures totalling \$404,000 were converted into 28,280 Class A shares.

5. (a) CAPITAL STOCK.

Authorized:

3,500,000 Class A, Voting, Convertible Shares Without Par Value

3,500,000 Class B, Voting, Convertible Shares Without Par Value

260,000 Common Shares Without Par Value

Outstanding and Fully Paid:

	1976		1975	
	NUMBER	AMOUNT	NUMBER	AMOUNT
January 1 — Class A	195,840		254,950	
— Class B	707,350		646,900	
	903,190	\$1,178,720	901,850	\$1,164,950
Debenture Conversion	28,280	404,000	140	2,000
Employee Stock Options	1,630	16,027	1,200	11,770
	<u>933,100</u>	<u>\$1,598,747</u>	<u>903,190</u>	<u>\$1,178,720</u>
December 31 — Class A	196,190		195,840	
— Class B	736,910		707,350	
	<u>933,100</u>		<u>903,190</u>	

(b) CONVERSION PRIVILEGE OF 6% CONVERTIBLE DEBENTURE, SERIES A.

The Company has reserved 181,230 Class A shares to meet the conversion privilege of the holders of the debenture.

(c) EMPLOYEES' STOCK OPTION PLAN — CLASS A SHARES.

NUMBER OF SHARES

	UNDER OPTION	AVAILABLE FOR OPTION
Balance, at January 1, 1976	36,900	43,800
Options Granted	—	—
Options Terminated	(1,000)	—
Options Exercised for Consideration of \$16,027	(1,630)	(1,630)
Balance, at December 31, 1976	34,270	42,170

Options are outstanding to 29 employees (including options on 7,000 shares to 3 directors) at 90% of market value at the time of granting.

6. CONTRIBUTED SURPLUS.

Net excess of equity of the subsidiary companies over the cost of their acquisition by Automotive Hardware Limited as at December 31, 1976

(Unchanged from 1975) \$1,841,071

7. ANTI-INFLATION ACT.

The Company is subject to and believes it has complied with controls over prices, profit margins, compensation and dividends under the federal government's Anti-Inflation Program.

8. COMMITMENTS.

(a) LEASES.

The Company and its subsidiary companies, have entered into leases terminating at various times up to 1985. Total commitments under such leases were:

1976 — \$1,193,037; 1975 — \$940,859; plus realty taxes in each year as applicable.

(b) PENSION PLANS.

	1976	1975
The Company has made the following payments:		
Contributory Plan	\$ 100,542	\$ 96,731
Non-Contributory Plans	90,217	91,797

Past service funding of the non-contributory plans' requirements are currently estimated to be \$30,102 annually for each of the next nine years.

(c) Bank loans were secured by a registered assignment of accounts receivable.

	1976	1975
(d) Letters of credit outstanding totalled:	\$ 450,349	\$ 94,769

(e) EQUIPMENT.

At December 31, 1976, the Company and its wholly owned subsidiary companies had entered into commitments to purchase production equipment aggregating approximately \$1,000,000, of which amount approximately \$500,000 is to be financed by long-term debt.

(f) PLANT EXTENSION.

At December 31, 1976, the Company had incurred costs of \$206,000 with respect to the extension of its Toronto plant and it is estimated that additional costs for completion of the extension during 1977 will be \$1,100,000.

9. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS.

	1976	1975
Total Direct Remuneration	\$ 402,902	\$ 489,773
Company Contributions to Pension Plans	\$ 8,679	\$ 16,798
Number of Directors and Senior Officers	9	11

10. Pursuant to lease commitments Irwin Goldhart Investments Limited, of which Company Mr. Irwin Goldhart is the Shareholder and President, received rentals totalling \$127,876 from Automotive Hardware Limited, of which Company he is the President, for warehouses in Vancouver, Montreal and Dartmouth.

11. 1975 ADJUSTMENT OF PRIOR YEAR'S CAPITAL LOSS — \$4,721.

This amount is a net recovery of a 1969 write-off with respect to an American subsidiary company, dormant since that date, and which was wound up during 1975.

12. EARNINGS PER SHARE.

	1976	1975
Shares Outstanding	933,100	903,190
Shares Reserved re Debenture	181,230	209,510
Shares Reserved re Employee Options Granted and Outstanding	34,270	36,900
Shares Outstanding and Reserved	1,148,600	1,149,600
Earnings per Share on Shares Outstanding	\$ 2.73	\$ 4.15
Diluted Earnings per Share, Based on Shares Outstanding and Reserved	\$ 2.30	\$ 3.35
Imputed Increase in After Tax Earnings Based on Potential Funds Derived From The Issuance of All Shares Reserved	\$ 101,302	\$ 103,956

Auditors' Report

To the Shareholders of Automotive Hardware Limited:

We have examined the consolidated balance sheet of Automotive Hardware Limited and its wholly owned subsidiary companies as at December 31, 1976, and the consolidated statements of earnings, retained earnings, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1976, and the results of their operations and the changes in their financial position for the year then ended, all in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada. April 4, 1977. MILLER, STONE, SAPERIA and ISAACS
Chartered Accountants.

Automotive Hardware Limited

and its wholly owned subsidiary companies

Eight Year Financial Summary

(Thousands except where indicated*)

	1976	1975	1974	1973	1972	1971	1970	1969
SALES	\$33,370	\$33,182	\$34,066	\$24,541	\$19,464	\$17,531	\$15,767	\$15,235
EARNINGS BEFORE TAXES	4,536	7,324	9,054	4,205	1,740	1,663	1,906	1,836
NET EARNINGS	2,527	3,748	4,697	2,217	958	824	906	817
NET PROFIT MARGIN	7.6%	11.3%	13.8%	9.0%	4.9%	4.7%	5.7%	5.4%
EARNINGS PER SHARE*	\$2.73	\$4.15	\$5.21	\$2.46	\$1.06	92¢	\$1.01	91¢
TOTAL ASSETS	\$28,730	\$29,074	\$24,482	\$20,366	\$17,300	\$16,546	\$15,719	\$13,830
LONG TERM DEBT	3,865	4,084	4,107	4,081	4,287	4,542	4,584	4,308
SHAREHOLDERS' EQUITY	20,104	17,877	14,788	10,519	8,501	7,759	7,316	6,572
EQUITY PER SHARE*	21.55	19.79	16.40	11.67	9.45	8.62	8.13	7.30
WORKING CAPITAL	17,363	15,048	12,384	7,866	7,183	7,069	7,018	6,713
DIVIDENDS PER SHARE	80¢	75¢	48¢	24¢	24¢	24¢	18¢	—

*Based on shares outstanding:

1976 — 933,100; 1975 — 903,190

1974 — 901,850; 1969-1973 — 900,000

Directors Irwin Goldhart,
President,
Automotive Hardware Limited

Frances A. Reid,
Vice-President,
Automotive Hardware Limited

Goldie Potashin,
Secretary-Treasurer,
Automotive Hardware Limited

Sidney Goldhart,
Vice-President,
Docap Corporation Limited

Ross M. Hanbury,
Consultant

Harry L. Mendelson, Q.C.,
Barrister and Solicitor

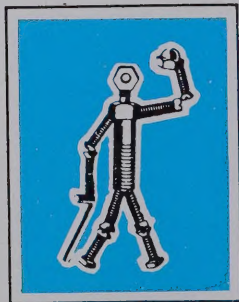
Officers Irwin Goldhart, *President*
Frances A. Reid, *Vice-President*
Goldie Potashin, *Secretary-Treasurer*
Manuel Harris, C.A., *Comptroller*

**Registrar, Transfer Agent
and Trustee** National Trust Company Limited
Montreal, Toronto, Winnipeg, Calgary
and Vancouver

Auditors Miller, Stone, Saperia and Isaacs
Chartered Accountants

Shares Listed Toronto Stock Exchange

Head Office & Plant 55 Brown's Line, Toronto, Ont.



Subsidiaries: Automatic Screw Machine Products Limited
Federal Bolt & Nut Corporation Limited
Docap Corporation Limited
Planet Steel Limited

Branch Warehouses:	Vancouver, British Columbia	Toronto, Ontario
	Edmonton, Alberta	Montreal, Quebec
	Calgary, Alberta	Dartmouth, Nova Scotia
	Winnipeg, Manitoba	

Head Office: 55 Brown's Line, Toronto, Ontario